

# Regulatory Analysis Form

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REVIEW COMMISSION

(1) Agency

Department of State, Bureau of Professional and Occupational Affairs, State Real Estate Commission

(2) I.D. Number (Governor's Office Use)

16A-566

IRRC Number: 2048

(3) Short Title

Application Fees

(4) PA Code Cite

49 Pa. Code §35.203

(5) Agency Contacts & Telephone Numbers

Primary Contact: **Judith Pachter Schulder, Counsel  
State Real Estate Commission  
(717)783-7200**

Secondary Contact: **Joyce McKeever, Deputy Chief  
Counsel, Department of State  
(717)783-7200**

(6) Type of Rulemaking (check one)

Proposed Rulemaking  
 Final Order Adopting Regulation  
 Final, Proposed Omitted

(7) Is a 120-Day Emergency Certification Attached?

No  
 Yes: By the Attorney General  
 Yes: By the Governor

(8) Briefly explain the regulation in clear and nontechnical language.

The regulation amends the fee schedule for the State Real Estate Commission to revise fees for review of qualifications for candidates for broker or cemetery broker licensing examination, application for licensure/registration and initial licensure/registration for broker, cemetery broker or rental listing referral agent, branch office, associate broker, salesperson, cemetery associate broker, builder-owner salesperson, time-share salesperson, campground membership

(Continued on Page 9)

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.

The regulatory amendments are adopted under Section 407(a) of the Real Estate Licensing and Registration Act, Act of February 19, 1980, P.L. 15, as amended, 63 P.S. §455.407(a).

## Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

**Yes. The Commission is required by statute to adopt regulations setting fees. See Item No. 9 for the specific law.**

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

**The enabling statute of the Commission requires that the Commission set fees by regulation so that revenues meet or exceed expenditures over a biennial period. The operating expenses of the Commission are generally borne by the licensee population through biennial renewal revenue. Expenses related to services which are provided directly to individual licensees or applicants are excluded from general operating revenues so that only the licensee who uses a particular service pays for a service being provided to him or her. By this regulation, the cost of providing the service will be apportioned to users, rather than burdening the entire licensee population.**

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

**Nonregulation could potentially adversely impact the fiscal integrity of the Commission. If left unregulated, the costs of providing these services would be borne by the general licensing population, some of whom did not or would not receive a benefit from the service.**

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

**The licensing population generally will benefit by having costs of services which are utilized by only a portion of the licensees or applicants paid by those actually using the service.**

## Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

**The Commission has identified no group of individuals or entities who will be adversely affected by the regulation. Applicants for services or licenses will be required to bear the up-to-date costs of providing the services involved.**

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

**Applicants for licensure as a broker, cemetery broker, salesperson, real estate school, builder-owner salesperson, rental listing referral agent, branch office, associate broker, cemetery associate broker, time-share salesperson, campground membership salesperson; broker of record partner or officer for a partnership, association or corporation, and registration of cemetery companies and promotional real estate; change of name or location of real estate school broker, cemetery broker or rental listing referral agent; addition of course for real estate schools and certification of history of licensure will be required to pay the applicable fees. The Commission estimates that approximately 11,380 persons will avail themselves of one or more of the enumerated services in a two-year period.**

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

**These regulations do not place requirements on licensees concerning their conduct or compliance with state law regarding the performance of a licensing duty under licensing statutes. The regulation embodies the fees which capture the cost of providing the service an applicant or licensee requests. Therefore, the information requested in this item is not applicable.**

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

**The Commission estimates that 11,380 persons will avail themselves of one or more of the enumerated services within a biennial period. Total aggregate additional cost for the regulated community for a biennial period would be approximately \$397,255.00. However, only those requesting the services will be affected. No legal, accounting or consulting procedures will be implicated in complying with the regulatory amendments.**

## Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

**Local governments would not be affected by the regulation.**

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

**The Commission will not incur an increase in administrative costs by implementing the regulation. Indeed, the regulatory amendments will permit the Commission to recoup the costs of providing the enumerated services.**

## Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
<b>Regulated</b>	1306.25	1306.25	1306.25	1306.25	1306.25	1306.25
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Savings</b>						
<b>COSTS:</b>						
<b>Regulated</b>	130,632.5	130,632.5	130,632.5	130,632.5	130,632.5	130,632.5
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Costs</b>						
<b>REVENUE LOSSES:</b>						
<b>Regulated</b>						
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Revenue Losses</b>						

(20a) Explain how the cost estimates listed above were derived.

The cost estimates are based upon the following number of persons which the Commission estimates will avail themselves of the specified service over a fiscal year period (one-half biennium) multiplied by the savings or additional cost to the applicant for the service:

a) Review of Qualifications for Examination	\$15(c)	x	210	=	\$3,150
b) Application for licensure of broker, cemetary broker or rental referral agent	\$20(c)	x	242.5	=	4,850.00
c) Application for branch office license	\$15(c)	x	152	=	2,280.00
d) Application for licensure of associate broker, salesperson, cemetary associate broker, builder-owner salesperson, time-share salesperson, campground membership salesperson, or broker of record, partner, or officer for a partnership, association or corporation	\$5(c)	x	3816.5	=	9,082.50
e) Application for licensure of cemetary salesperson	\$5(c)	x	477	=	2,385.00
f) Application for registration of cemetary company	\$5(c)	x	5	=	25.00
g) Initial licensure during renewal period if issued in first half	\$24(c)	x	235	=	5640
if issued in second half	\$12(c)	x	235	=	2820

(Continued on Page 9)

**Regulatory Analysis Form**

(20b) Provide the past three year expenditure history for programs affected by the regulation.

<b>Program</b>	<b>FY -3</b>	<b>FY -2</b>	<b>FY -1</b>	<b>Current FY</b>
N/A				

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

**The amendments to the existing regulations will assure that the costs of providing the specified services to certain applicants and licensees will be borne by individuals who receive the service.**

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

**No nonregulatory alternatives were considered because the Commission's enabling statute requires the Commission to promulgate regulations to establish fees or changes thereto.**

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

**See No. 22 above.**

## Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

**No federal licensure standards apply.**

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

**It is difficult to compare the fees Pennsylvania proposes to charge for the services implicated in this proposal because some other states seem to include these fees in the licensure renewal fee. For example, surrounding states that do not charge a fee for school reinspection impose significantly higher license renewal fees than Pennsylvania. In comparing Pennsylvania's fees to those in surrounding states, it is important to recall that license renewal fees are borne by the entire licensed population, whereas application fees are borne only by those licensees requesting the service. It appears that the proposed fees would not put Pennsylvania at a competitive disadvantage with other states. A chart outlining the fees charged in neighboring states is attached. (See p. 10)**

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

**This regulation will have no effect on other regulations of the Commission or other state agencies.**

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

**The Commission reviews its regulatory proposals at regularly scheduled public meetings each month.**

## Regulatory Analysis Form

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

**No changes to reporting, recordkeeping or other paperwork is required by this regulation.**

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

**The Commission has perceived no special needs of any subset of its applicants or licensees for whom special accommodations should be made.**

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

**The regulation will be effective upon publication in the Pennsylvania Bulletin as final rulemaking.**

(31) Provide the schedule for continual review of the regulation.

**The Commission reviews its revenues and costs of its programs on a fiscal year and biennial basis.**



(Continued from Page 1)

salesperson or broker of record, partner or officer for a partnership, association or corporations, cemetery salesperson and cemetery company; promotional real estate; approval of real estate school; change of name or office location of broker, cemetery broker or rental listing referral agent; change of ownership or directorship of real estate school; change of name or location of real estate school, addition of real estate course and certification of history of licensure, registration or approval. The fees, established in 1980 and 1992, no longer reflect the cost of providing the enumerated services. New fees are proposed for reinspections of real estate offices and schools.

(Continued from Page 5)

<b>h) Initial licensure during renewal period-asst. broker, etc. if issued in first half</b>	<b>\$24(c)</b>	<b>x</b>	<b>2035</b>	<b>=</b>	<b>48,840</b>
<b>if issued in second half</b>	<b>\$12(c)</b>	<b>x</b>	<b>2035</b>	<b>=</b>	<b>24,420</b>
<b>i) Registration of promotional real estate</b>	<b>\$130(s)</b>	<b>x</b>	<b>7.5</b>	<b>=</b>	<b>975</b>
<b>j) Application for licensure as a real estate school</b>	<b>\$102.50</b>	<b>x</b>	<b>2.5</b>	<b>=</b>	<b>256.25</b>
<b>k) Reinspection fee-New or relocated real estate school</b>	<b>\$65(c)</b>	<b>x</b>	<b>2.5</b>	<b>=</b>	<b>162.50</b>
<b>l) Change of name or office location of broker, cemetery broker or rental listing agent</b>	<b>\$20(c)</b>	<b>x</b>	<b>750</b>	<b>=</b>	<b>15,000.00</b>
<b>m) Reinspection fee for change of name or office location of broker, cemetery broker or rental listing referral agent</b>	<b>\$55(c)</b>	<b>x</b>	<b>5</b>	<b>=</b>	<b>275.00</b>
<b>n) Change of ownership of Real Estate School</b>	<b>\$35(c)</b>	<b>x</b>	<b>1</b>	<b>=</b>	<b>35.00</b>
<b>o) Change of name-Real Estate School</b>	<b>\$45(s)</b>	<b>x</b>	<b>1.5</b>	<b>=</b>	<b>67.50</b>
<b>p) Change of location-Real Estate School</b>	<b>\$20(s)</b>	<b>x</b>	<b>1.5</b>	<b>=</b>	<b>30.00</b>
<b>q) Addition of course for Real Estate School</b>	<b>\$5(c)</b>	<b>x</b>	<b>113</b>	<b>=</b>	<b>565.00</b>
<b>r) Certification of Licensure</b>	<b>\$10(c)</b>	<b>x</b>	<b>112.5</b>	<b>=</b>	<b>1,125.00</b>

FEE COMPARISON							
<b><u>REAL ESTATE COMM</u></b>							
<b>bold = proposed</b>	<b>Pa</b>	<b>NJ</b>	<b>NY</b>	<b>MD</b>	<b>OH</b>	<b>DE</b>	<b>VA</b>
Review broker qualif.	40						
Broker App	75	145-160	150	100	69	111-221	65-145
Sales App	25	100	50	45	49	56-111	84-95
Ltd. Sales App	20		50		49		
Branch Off. App	65	75	150	5	8	15-83	65
Cemetery App	25						
Initial Apprvl-Priv. RE Sch	120	250					75
App-Course Approval	25		300				
Bs Change/Insp. Req'd	75		10				
Reinspect Bs aft 1st fail	55						
Cert. of Lic. History	40	25					
Reg. of Promo. Prop.	120	500-3000		100		100	

# FEE REPORT FORM

Agency: State - BPOA

Corrected Date: 11/23/99

Contact: David Williams

Phone No. 783-7194

## Fee Title, Rate and Estimated Collections:

Name Change-Private Real Estate School:	\$45.00
Estimated Biennial Revenue:	\$135.00 (3 applications x \$45.00)

## Fee Description:

The fee will be charged to every request for name change of a Private Real Estate School.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to process a request for name change and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Clerical staff-prepare application:	(.25 hr)	5.08
Board Administrator - process application	(.08 hr)	2.52
Board Meeting Average Cost		19.87
Administrative Overhead:		<u>13.56</u>
	Total Estimated Cost:	\$ 41.03
	Proposed Fee:	\$ 45.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$45.00 be established for processing a name change application for a Private Real Estate School.

**Page 2 :Name Change Application -Private Real Estate School Date: 11/23/99**

**Board Staff:** Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents, board administrator prepares for board agenda, board discusses and votes to approve or deny request; change document issued if approved or a discrepancy notice is sent to applicant.

## FEE REPORT FORM

**Agency:** State - BPOA

**Corrected Date:** 11/24/99

**Contact:** David Williams

**Phone No.** 783-7194

### Fee Title, Rate and Estimated Collections:

Certification of History of Licensure, Registration or Approval: \$40.00

Estimated Biennial Revenue: \$9,000.00 (225 certifications x \$40.00)

### Fee Description:

The fee will be charged to every applicant who requests certification of history of licensure, registration or approval.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to review and process a request for certification and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Staff time- process request for certification	(1.25 hr)	28.99
Bureau Average Administrative Overhead:		<u>9.76</u>
	<b>Total Estimated Cost:</b>	<b>\$38.75</b>
	<b>Proposed Fee:</b>	<b>\$40.00</b>

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$40.00 be established for certification of history of licensure, registration or approval.

**Page 2 Certification of History of Licensure, Registration or Approval**  
**Date: 11/24/99**

**Board Staff: Reviews request for certification; researches computer and microfilm files to retrieve pertinent information, transfers that information onto document submitted by requester, affixes Bureau seal onto documents, forwards as instructed by applicant.**

# FEE REPORT FORM

Agency: State - BPOA

Corrected Date: 11/24/99

Contact: David Williams

Phone No. 783-7194

## Fee Title, Rate and Estimated Collections:

Ownership Change-Private Real Estate School:	\$75.00
Estimated Biennial Revenue:	\$150.00 (2 applications x \$75.00)

## Fee Description:

The fee will be charged to every request for a change of ownership for a licensed Private Real Estate School.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to process a request for change of ownership and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Clerical staff-prepare application:	(1.50 hr)	30.46
Board Administrator - process application	(.25 hr)	7.55
Board Meeting - avg. cost		19.87
Administrative Overhead:		<u>13.56</u>
	Total Estimated Cost:	\$ 71.44
	Proposed Fee:	\$ 75.00

## Analysis, Comment, and Recommendation:

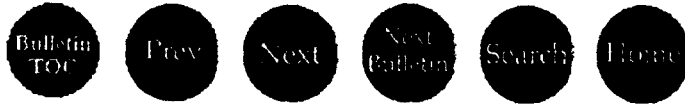
It is recommended that a fee of \$75.00 be established for processing an ownership change application for a Private Real Estate School.

**Page 2 :Ownership Change Application -Private Real Estate School**

**Date: 11/24/99**

**Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents, board administrator prepares for board agenda, board discusses and votes to approve or deny request; change document issued if approved or a discrepancy notice is sent to applicant.**





# PROPOSED RULEMAKING

## STATE REAL ESTATE COMMISSION

[49 PA. CODE CH. 35]

### Application Fees

[29 Pa.B. 4171]

The State Real Estate Commission (Commission) proposes to amend § 35.203 (relating to fees) by revising certain application fees to read as set forth in Annex A.

#### A. *Effective date*

The amendment will be effective upon publication of the final form regulation in the *Pennsylvania Bulletin*.

#### B. *Statutory Authority*

The amendment is authorized under section 407(a) of the Real Estate Licensing and Registration Act (act) (63 P. S. § 455.407(a)).

#### C. *Background and Purpose*

The act requires the Commission to set fees by regulation so that revenues meet or exceed expenditures over a biennial period. General operating expenses of the Commission are funded through biennial license renewal fees. Expenses related to applications or services which are provided directly to individual licensees or applicants are excluded from general operating revenues and are funded through fees in which the cost of providing the service forms the basis for the fee.

In a recent systems audit of the operations of the Commission within the Bureau of Professional and Occupational Affairs, the fees for services to licensees and applicants were analyzed to determine if the fees reflected the actual cost of providing the services. Actual cost calculations are based upon the following formula:

number of minutes to perform the function  
 x  
 pay rate for the classification of personnel performing the function  
 +  
 a proportionate share of administrative overhead.

The analysis determined that the fees for the listed services do not accurately reflect the actual cost of providing those services. The costs for the following services exceed the fees

charged for the services: review of qualifications for licensing examination, applications for licensure and registration, initial licensure and registration, reapplication following a first examination failure; reapplication following subsequent examination failure; certification of examination scores and experience; and fictitious and corporate name registration. The application fees for initial approval of a real estate school, change and location of a real estate school, and registration of promotional property exceeded the actual cost of providing the service. Most of the fees have not been revised since August 1992, while fees for the approval of real estate schools, certification of licensure history and registration of promotional property were adopted in March 1986. No fee is in place for reinspection of real estate offices and schools after failures of an initial inspection.

In this proposal, fees for the services identified would be adjusted to allocate costs to those who use the service or make application. The Commission would continue to apportion enforcement and operating costs to the general licensing population by means of its license renewal fee through the biennial reconciliation of revenue and expenditures.

#### *D. Compliance with Executive Order 1996-1*

In accordance with Executive Order 1996-1 (February 6, 1996), in drafting and promulgating the proposal the Commission considered the least restrictive alternative to regulate costs for services requested by licensees and applicants.

#### *E. Fiscal Impact and Paperwork Requirements*

The proposed amendment will have no adverse fiscal impact on the Commonwealth or its political subdivisions. The fees will have a modest fiscal impact on those members of the private sector who apply for services from the Commission. The amendment will impose no additional paperwork requirements upon the Commonwealth, political subdivisions or the private sector.

#### *F. Sunset Date*

The Commission continuously monitors the cost effectiveness of its regulations. Therefore, no sunset date has been assigned.

#### *G. Regulatory Review*

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on July 28, 1999, the Commission submitted a copy of this proposed amendment to the Independent Regulatory Review Commission (IRRC) and the Chairpersons of the House Professional Licensure Committee and the Senate Consumer Protection and Professional Licensure Committee. In addition to submitting the regulation, the Commission has provided IRRC and the Committees with a copy of a detailed regulatory analysis form prepared by the Commission in compliance with Executive Order 1996-1, "Regulatory Review and Promulgation." A copy of this material is available to the public upon request.

If IRRC has objections to any portion of the proposed amendment, it will notify the Commission within 10 days after the expiration of the Committee review period. The notification shall specify the regulatory review criteria which have not been met by that portion. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the regulation, by the Commission, the General Assembly and the Governor of

objections raised.

*H. Public Comment*

Interested persons are invited to submit written comments, suggestions or objections regarding the proposed amendment to Deborah A. Sopko, Administrative Assistant, State Real Estate Commission, P. O. Box 2649, Harrisburg, PA 17105-2649, within 30 days of publication of this proposed rulemaking. Please reference No. 16A-566 (Application Fees), when submitting comments.

RITA HALVERSON,  
Chairperson

**Fiscal Note:** 16A-566. No fiscal impact; (8) recommends adoption.

**Annex A**

**TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS**

**PART I. DEPARTMENT OF STATE**

**Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS**

**CHAPTER 35. STATE REAL ESTATE COMMISSION**

**APPLICATION FEES**

**§ 35.203. Fees.**

The following fees are charged by the Commission:

\* \* \* \* \*

Review of qualifications of candidate for broker or cemetery broker licensing examination	<b>[\$25]</b>	<b>40</b>
Application for licensure of:		
(i) Broker, cemetery broker or rental listing referral agent	<b>[\$55]</b>	<b>75</b>
(ii) Branch office	<b>[\$50]</b>	<b>65</b>
(iii) Associate broker, salesperson, cemetery associate broker, builder-owner salesperson, time-share salesperson, campground membership salesperson, or broker of record, partner or officer for a partnership, association or corporation	<b>[\$20]</b>	<b>25</b>
(iv) Cemetery salesperson	<b>[\$15]</b>	<b>20</b>

Application for registration of cemetery company	\$[20]	25
Initial licensure for broker, cemetery broker, branch office, rental listing referral agent, or broker of record, partner or officer for a partnership, association or corporation:		
(i) If issued in first half of biennial period	\$[60]	100% of biennial renewal fee
(ii) If issued in second half of biennial period	\$[30]	50% of biennial renewal fee
Initial registration for cemetery company or initial licensure for associate broker, salesperson, cemetery associate broker, cemetery salesperson, builder-owner salesperson, time-share salesperson or campground membership salesperson:		
(i) If issued in first half of biennial period	\$[40]	100% of biennial renewal fee
(ii) If issued in second half of biennial period	\$[20]	50% of biennial renewal fee
* * * * *		
Registration of promotional real estate	\$[250]	120
* * * * *		
Approval of real estate school	\$[325]	120
<b>Reinspection of real estate school after first failure</b>		65
Change of name or office location of broker, cemetery broker or rental listing referral agent	\$[55]	75
<b>Reinspection after failure for change of name or office location of broker, cemetery broker or rental listing referral agent</b>		55
* * * * *		
Change of ownership or directorship of real estate school	\$[40]	75
Change of name [or location] of real estate school	\$[90]	60
<b>Change of location of real estate school</b>		70
Addition of satellite location [course] or instructor for real estate school		20
<b>Addition of course for real estate school</b>		25
* * * * *		
Certification of history of licensure, registration or approval	\$[30]	40
* * * * *		

[Pa.B. Doc. No. 99-1278. Filed for public inspection August 6, 1999, 9:00 a.m.]

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**INDEPENDENT REGULATORY REVIEW COMMISSION**  
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

October 7, 1999

Rita Halverson, Chairperson  
State Real Estate Commission  
116 Pine Street  
Harrisburg, PA 17105

Re: IRRC Regulation #16A-566 (#2048)  
State Real Estate Commission  
Application Fees

Dear Chairperson Halverson:

Enclosed are our Comments on the subject regulation. They are also available on our website at <http://www.irrc.state.pa.us>.

Our Comments list objections and suggestions for consideration when you prepare the final version of this regulation. We have also specified the regulatory criteria which have not been met. These Comments are not a formal approval or disapproval of the proposed version of this regulation.

If you would like to discuss these Comments, please contact Chris Markham at 705-5959.

Sincerely,

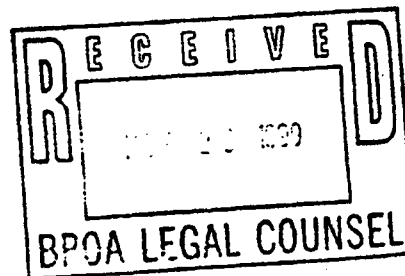
Handwritten signature of Robert E. Nyce in black ink.

Robert E. Nyce  
Executive Director

REN:cae

Enclosure

cc: Judith Pachter Schulder  
Joyce McKeever  
Honorable Kim Pizzigrilli  
Dorothy Childress  
Office of General Counsel  
Office of Attorney General  
Pete Tartine



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*Differing overhead costs*

The administrative overhead costs for all fees are \$13.56, except for the certification of history of licensure, registration or approval, which is \$9.76. The Commission should explain why the administrative cost for certification of history of licensure, registration or approval is different.

**2. Section 35.203. Fees – Clarity.**

*Addition of satellite location or instructor for real estate school*

This section lists the category “Addition of a satellite location or instructor for real estate school.” The existing regulation includes “course” in this category. The proposed regulation lists “Addition of course for real estate school” as a separate category. As published in the *Pennsylvania Bulletin*, a comma that should have been shown as a deletion was inadvertently omitted. Therefore, the final regulation should be revised to read as follows: “Addition of satellite location[, course] or instructor for real estate school.”

*Certification of history of licensure, registration or approval*

This category of fees is included in the regulation. However, the accompanying fee report forms do not include “certification of registration” or “certification of approval.” The Commission should clarify if “certification of registration” and “certification of approval” were intended to be part of the fee report form for “certification of history of licensure.” If so, these fees should be added to the fee report form that accompanies the final regulation. If the Commission intended to include these fees on separate fee report forms, those forms should be included with the final regulation.

*Fee report form for ownership change – private real estate school*

This fee report form contains a typographical error. The administrative overhead is listed as \$3.56. It should be changed to \$13.56.

*Name change – private real estate school and initial license application – private real estate school*

The fee report form for “Name change – private real estate school” lists the Commission meeting average cost as \$39.67. The fee report form for “Initial license application – private real estate school” lists the average cost of Commission review as \$21.87. The Commission review of an initial license application is more detailed than the review of a name change. We request the Commission explain why the cost for the Commission meeting for a name change is higher than the more detailed Commission review of an initial license application.

**COMMENTS OF THE INDEPENDENT REGULATORY REVIEW COMMISSION**

**ON**

**STATE REAL ESTATE COMMISSION REGULATION NO. 16A-566**

**APPLICATION FEES**

**OCTOBER 7, 1999**

We have reviewed this proposed regulation from the State Real Estate Commission (Commission) and submit for your consideration the following objections and recommendations. Subsections 5.1(h) and 5.1(i) of the Regulatory Review Act (71 P.S. § 745.5a(h) and (i)) specify the criteria the Commission must employ to determine whether a regulation is in the public interest. In applying these criteria, our Comments address issues that relate to fiscal impact and clarity. We recommend that these Comments be carefully considered as you prepare the final-form regulation.

**1. Section 39.72. Fees. - Fiscal impact and Clarity**

*Administrative overhead costs*

In the proposed regulation's fee report forms, there are significant differences in the costs covered by different fees except for "Administrative Overhead" costs. According to staff at the Department of State and its Bureau of Professional and Occupational Affairs (BPOA), the allocated share of overhead cost for each fee category is calculated by dividing total overhead costs by the number of active licensees. This methodology for overhead cost allocation is not unreasonable and has been consistently applied. On the other hand, the staff cost allocations are based on estimates of the actual time BPOA staff spends performing the tasks related to each fee.

For overhead cost allocations, there appears to be no relationship to the services covered by the fees or frequency of fee payments. Therefore, there is no indication that the fees will recover actual or projected overhead costs. In addition, the allocated costs are based on past expenditures rather than estimates or projections of future expenditures. Hence, there is no certainty that the fees' "projected revenues will meet or exceed projected expenditures" pursuant to Section 407(a) of the Real Estate Licensing and Registration Act (63 P.S. §455.407(a)).

We question the use of a constant overhead cost allocation that appears to be unrelated to the actual costs of activities covered by different fees. Even though this process was used to determine other fees, why should BPOA maintain this approach? The Commission and BPOA should specifically identify the overhead costs, or portion of the total overhead, to be recouped by these fees, and review their methodology for allocating these overhead costs. Is it the Commission's goal to allocate all overhead costs by category to each fee? If so, we do not believe the current allocation formula gives the desired result.





# Pennsylvania Association of REALTORS®

The Voice for Real Estate® in Pennsylvania

4501 Chambers Hill Road  
Harrisburg, PA 17111-2406  
Telephone (717) 561-1303  
Fax (717) 561-8796  
<http://www.parealtor.org>

September 7, 1999

Deborah A. Sopko, Administrative Assistant  
Pennsylvania State Real Estate Commission  
P.O. Box 2649  
Harrisburg, PA 17105-2649

Dear Ms. Sopko:

On behalf of the 26,000 members of the Pennsylvania Association of REALTORS® (PAR), we welcome the opportunity to comment on the proposed revised fee structure and application fees for real estate schools in Pennsylvania. This proposal was published in the August 7, 1999 edition of *The Pennsylvania Bulletin*.

The proposed rulemaking would adjust fees for services to allocate costs to those who use services provided by the Commission. This proposal is based on a recent systems audit of Commission operations, which determined that current fees for listed services do not accurately reflect the actual cost of providing these services.

PAR does not foresee any major difficulties with this revised fee structure. One minor concern has been raised that the proportional cost of changing the name, location or ownership of real estate schools has increased significantly when compared to the cost of approving a real estate school.

PAR appreciates the opportunity to share our views with the Commission on this subject. Please do not hesitate to contact us if you have any questions or concerns about this matter.

Sincerely,

Melissa Sieg, Chair  
License Law Subcommittee

Derenda Updegrave, Director  
Department of Government Affairs



MARIO J. CIVERA, JR., MEMBER  
HOUSE POST OFFICE BOX 202020  
MAIN CAPITOL BUILDING  
HARRISBURG, PENNSYLVANIA 17120-2020

232 LONG LANE  
UPPER DARBY, PENNSYLVANIA 19082



*House of Representatives*  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

COMMITTEES

PROFESSIONAL LICENSURE,  
MAJORITY CHAIRMAN  
LIQUOR CONTROL  
FIREFIGHTERS' CAUCUS,  
COCHAIRMAN EMERITUS

COPY

September 27, 1999

John R. McGinley, Jr., Chairman  
Independent Regulatory Review Commission  
14th Floor, Harrisstown 2  
333 Market Street  
Harrisburg, PA 17101

Dear Chairman McGinley:

This is to advise you that the House Professional Licensure Committee met today, and submits the following comments pertaining to the regulations considered by the Committee:

The Committee voted to take no formal action until final-form regulations are promulgated on Regulation 16A-414. However, the Committee submits the following comments:

1. The Committee is requesting additional information as to the category of "certification of licensure, registration or scores." The Committee is questioning under what circumstances the Board would "certify" an examination score. In the fee report form, the explanations as to what functions the Board staff performs for certification and verification are identical. The Committee requests an explanation as to the distinction between these two categories and what accounts for the differential in fees.
2. The fee report forms list a total estimated cost for each service based on a formula of staff time expended plus average administrative overhead. However, in all cases the proposed fee to be charged is rounded up to the nearest five dollar increment. The Committee is requesting an explanation as to why the proposed fees are rounded up, and are not the actual cost of services as estimated by the Board.
3. The administrative overhead costs for certification of scores, license or registration and verification of license or registration are listed as \$9.76 while all other services are listed as \$17.78. The Committee is requesting an explanation as to what accounts for the difference in administrative overhead costs.

John R. McGinley, Jr., Chairman  
Independent Regulatory Review Commission  
Page 2  
September 27, 1999

The Committee voted to take no formal action until final-form regulations are promulgated on Regulation 16A-566. However, the Committee offers the following comments:

1. The Committee notes that the fee for initial license application for private real estate school would be significantly reduced. The Committee requests a detailed explanation of the application review process, whether the application review process would be changed from the current process, and what accounts for the reduction of fee.
2. The fee report forms list a total estimated cost for each service based on a formula of staff time expended plus average administrative overhead. However, in most cases the proposed fee to be charged is rounded up to the nearest five dollar increment. The Committee is requesting an explanation as to why the proposed fees are rounded up, and are not the actual cost of services as estimated by the Board.
3. The administrative overhead costs for certification of license history is listed as \$9.76 and while all other services are listed as \$13.56. The Committee is requesting an explanation as to what accounts for the difference in administrative overhead costs.

The Committee voted to take no formal action until final-form regulations are promulgated on Regulation 16A-615. However, the Committee submits the following comments:

1. The Committee is requesting additional information as to the category of "certification of licensure or scores." The Committee is questioning under what circumstances the Board would "certify" an examination score. In the fee report form, the explanations as to what functions the Board staff performs for certification and verification are virtually identical. The Committee requests an explanation as to the distinction between these two categories and what accounts for the differential in fees.
2. The fee report forms list a total estimated cost for each service based on a formula of staff time expended plus average administrative overhead. However, in all but a few cases, the proposed fee to be charged is rounded up to the nearest five dollar increment. The Committee is requesting an explanation as to why the proposed fees are rounded up, and are not the actual cost of services as estimated by the Board.

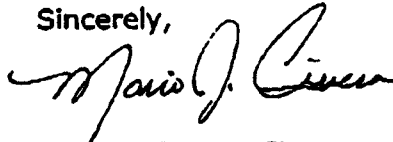
John R. McGinley, Jr., Chairman  
Independent Regulatory Review Commission  
Page 3  
September 27, 1999

3. The administrative overhead costs for certification of license or examination scores and verification of license or permit are listed as \$9.76 while all other services are listed as \$32.96. The Committee is requesting an explanation as to what accounts for the difference in administrative overhead costs.

4. The Committee notes that the fee for application for licensure and Board interview under 15.54(b)(2), 15.54 (b)(3) or 15.56(a)(3) would be increased significantly. The Committee is requesting a more detailed explanation as to the reason and need for such an increase.

Please feel free to contact my office if any questions should arise.

Sincerely,



Mario J. Civera, Chairman  
House Professional Licensure Committee

MJC/sms

Enclosures

cc: Robert J. Crownér, R.A., President  
State Architects Licensure Board  
✓Rita Halverson, Chairperson  
State Real Estate Commission  
David M. DuTot, LA, Chairman  
State Board of Landscape Architects  
Hon. Kim H. Pizzingrilli, Secretary of the Commonwealth  
Department of State

JOHN R. MCGINLEY, JR., ESQ., CHAIRMAN  
ALVIN C. BUSH, VICE CHAIRMAN  
ARTHUR COCCODRILLI  
ROBERT J. HARBISON, III  
JOHN F. MIZNER, ESQ.  
ROBERT E. NYCE, EXECUTIVE DIRECTOR  
MARY S. WYATTE, CHIEF COUNSEL



PHONE: (717) 783-5417  
FAX: (717) 783-2664  
irrc@irrc.state.pa.us  
<http://www.irrc.state.pa.us>

**INDEPENDENT REGULATORY REVIEW COMMISSION**  
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

October 7, 1999

Rita Halverson, Chairperson  
State Real Estate Commission  
116 Pine Street  
Harrisburg, PA 17105

**RECEIVED**

OCT 08 1999

**BPOA LEGAL COUNSEL**

Re: IRRC Regulation #16A-566 (#2048)  
State Real Estate Commission  
Application Fees

Dear Chairperson Halverson:

Enclosed are our Comments on the subject regulation. They are also available on our website at <http://www.irrc.state.pa.us>.

Our Comments list objections and suggestions for consideration when you prepare the final version of this regulation. We have also specified the regulatory criteria which have not been met. These Comments are not a formal approval or disapproval of the proposed version of this regulation.

If you would like to discuss these Comments, please contact Chris Markham at 705-5959.

Sincerely,

Robert E. Nyce  
Executive Director

REN:cae

Enclosure

cc: Judith Pachter Schulder  
Joyce McKeever  
Honorable Kim Pizzigrilli  
Dorothy Childress  
Office of General Counsel  
Office of Attorney General  
Pete Tartline

# COMMENTS OF THE INDEPENDENT REGULATORY REVIEW COMMISSION

ON

## STATE REAL ESTATE COMMISSION REGULATION NO. 16A-566

### APPLICATION FEES

OCTOBER 7, 1999

We have reviewed this proposed regulation from the State Real Estate Commission (Commission) and submit for your consideration the following objections and recommendations. Subsections 5.1(h) and 5.1(i) of the Regulatory Review Act (71 P.S. § 745.5a(h) and (i)) specify the criteria the Commission must employ to determine whether a regulation is in the public interest. In applying these criteria, our Comments address issues that relate to fiscal impact and clarity. We recommend that these Comments be carefully considered as you prepare the final-form regulation.

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In the proposed regulation's fee report forms, there are significant differences in the costs covered by different fees except for "Administrative Overhead" costs. According to staff at the Department of State and its Bureau of Professional and Occupational Affairs (BPOA), the allocated share of overhead cost for each fee category is calculated by dividing total overhead costs by the number of active licensees. This methodology for overhead cost allocation is not unreasonable and has been consistently applied. On the other hand, the staff cost allocations are based on estimates of the actual time BPOA staff spends performing the tasks related to each fee.

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*Differing overhead costs*

The administrative overhead costs for all fees are \$13.56, except for the certification of history of licensure, registration or approval, which is \$9.76. The Commission should explain why the administrative cost for certification of history of licensure, registration or approval is different.

**2. Section 35.203. Fees – Clarity.**

*Addition of satellite location or instructor for real estate school*

This section lists the category “Addition of a satellite location or instructor for real estate school.” The existing regulation includes “course” in this category. The proposed regulation lists “Addition of course for real estate school” as a separate category. As published in the *Pennsylvania Bulletin*, a comma that should have been shown as a deletion was inadvertently omitted. Therefore, the final regulation should be revised to read as follows: “Addition of satellite location[, course] or instructor for real estate school.”

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*Fee report form for ownership change – private real estate school*

This fee report form contains a typographical error. The administrative overhead is listed as \$3.56. It should be changed to \$13.56.

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FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU

(Pursuant to Commonwealth Documents Law)

RECEIVED  
2000 APR - 5 PM 12:06  
LEGISLATIVE REFERENCE BUREAU  
REVIEW COMMISSION

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General

Copy below is hereby certified to be a true and correct copy of a document issued, prescribed or promulgated by:

Copy below is approved as to form and legality. Executive or Independent Agencies.

BY: \_\_\_\_\_  
(DEPUTY ATTORNEY GENERAL)

State Real Estate Commission  
(AGENCY)

BY: [Signature]

DOCUMENT/FISCAL NOTE NO. 16A-566

\_\_\_\_\_  
DATE OF APPROVAL

DATE OF ADOPTION: \_\_\_\_\_

3/27/00  
DATE OF APPROVAL

BY: [Signature]  
Rita Halverson

(Deputy General Counsel  
~~Chief Counsel,~~  
~~Independent Agency~~  
(Strike inapplicable title)

TITLE: Chairperson  
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

[ ] Check if applicable  
Copy not approved.  
Objections attached.

[ ] Check if applicable. No Attorney General approval or objection within 30 day after submission.

FINAL RULEMAKING  
COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE REAL ESTATE COMMISSION  
49 Pa. Code, Chapter 35  
Application Fees



The State Real Estate Commission (Commission) hereby amends its regulation at 49 Pa. Code §35.203 by revising certain application fees as set forth in Annex A.

The regulation amends fees for application, reapplication, verification and certification fees and creates reinspection fees to reflect the Board's actual cost of providing the services.

Notice of proposed rulemaking was published at 29 Pa. B. 4171-4178 (August 7, 1999). Publication was followed by a 30-day public comment period during which the Board received public comment from the Pennsylvania Association of Realtors. Following the close of the public comment period, the Board received comments from the House Professional Licensure Committee (HPLC) and the Independent Regulatory Review Commission (IRRC). The Senate Consumer Protection and Professional Licensure Committee (SCP/PLC) did not comment.

The following is a response to the comments.

#### *Certification and Verification Fee*

The HPLC questioned under what circumstances the Commission "certifies" an examination score. The HPLC and IRRC also requested an explanation of the difference between a verification and certification and an explanation of what accounts for the differential in fees.

The certification of a score is made at the request of a licensee when the licensee is seeking to obtain licensure in another state based upon licensure in Pennsylvania which was issued on the basis of a uniform national or regional examination which was taken in Pennsylvania. Generally the state of original licensure is the only source of the score of the licensee as testing agencies do not maintain this information. The licensure laws of many states include provisions that Licensure by reciprocity or endorsement based on Licensure in another state will be granted only if the board or agency determines that the qualification are the same or substantially similar. Many state agencies have interpreted this provision to require that licensees have attained a score equal to or exceeding the passing rate in that jurisdiction at the time of original Licensure. For this reason, these states require that the Pennsylvania Commission and other Boards certify the examination score the applicant achieved on the licensure examination.

As noted in proposed rulemaking the difference between the verification and certification fees is the amount of time required to produce the document requested by the licensee. As noted above, states request different information when making a determination as to whether to grant licensure based on reciprocity or endorsement from another state. The Bureau has been able to create two documents from its records that will meet all of the needs of the requesting state. The licensee, when she applies to the other state, receives information as to what documentation and form is acceptable in the requesting state. The Bureau then advises the licensee of the type of document the Bureau can provide and the fee. In the case of a "verification" the staff produces the requested documentation by a letter, usually computer generated, which contains the license number, date of original issuance and current expiration date, and status of the license. The letters are printed from the Bureau's central computer records and sent to the Commission staff responsible for handling the licensee's application. The letters are sealed, folded and mailed in accordance with the directions of the requestor. The Bureau estimates the average time to prepare this document to be five minutes. The Bureau uses the term "certification fee" to describe the fee for a request for a document, again generally to support reciprocity or endorsement applications to other states, territories or countries, or for employment of training in another state. A certification document contains information specific to the individual requestor. It may include dates or location where examinations were taken, or scores achieved or hours and location of training. The information is entered onto a document which is usually supplied by the requestor. The average time to prepare a certification is 45 minutes. This is because a number of resources, such as files, microfilm and rosters must be retrieved and consulted in order to provide the information requested. The Commission staff then seals and issues this document.

#### *Administrative Overhead*

IRRC requested that the Bureau and the Commission: (1) itemize the overhead cost to be recouped by the fees; and (2) re-examine the method that is used to determine the administrative overhead factor for each fee.

IRRC commented that although the Bureau's method was reasonable, there was no assurance that the fees would recover the actual overhead cost because the charge was not related to the service, and because the charge was based on the actual rather than the projected expenditures. IRRC also commented that there was no certainty that the projected revenues would meet or exceed projected expenditures, as required under the Commission's enabling statutes.

In computing overhead charges the Commission and the Bureau, include expenses resulting from service of support staff operations, equipment, technology initiatives or upgrades, leased office space and other sources not directly attributable to a specific Commission/Board. Once determined the Bureau's total administrative charge is apportioned to each Commission/Board based upon that Boards share of the total active licensee population. In turn, the Commission's/Board's administrative charge is divided by the number of active licensees to calculate a "per application" charge which is added to direct personnel cost to establish the cost of processing. The administrative charge is consistently applied to every application regardless of how much time the staff spends processing the application.

This method of calculating administrative overhead to be apportioned to fees for services was first included in the biennial reconciliation of fees and expenses conducted in 1988-89. In accordance with the regulatory review, the method was approved by the SCP/PLC, HPLC and IRRC as reasonable and consistent with the legislative intent of statutory provisions which require the Commission/Board to establish fees which meet or exceed expenses.

IRRC suggested that within each Commission/Board, the administrative charge should be determined by the amount of time required to process each application. For example, an application requiring one-half hour of processing time would pay one-half as much overhead charge as an application requiring one hour of processing time. The Bureau concurs with IRRC that by adopting this methodology the Bureau and the Commissions/Boards would more nearly and accurately accomplish their objective of setting fees that cover the cost of the service. Therefore, in accordance with IRRC's suggestions, the Bureau conducted a test to compare the resulting overhead of charge obtained by applying IRRC suggested time factor versus the current method. This review of a Commissions'/Boards' operation showed that approximately 25% of staff time was devoted to providing services described in the regulations. The current method recouped 22% to 28% of the administrative overhead charges versus the 25% recouped using a ratio- based time factor. However, when the time factor is combined with the licensing population for each Commission/Board, the resulting fees vary widely even though different licensees may receive the same services. For example, using the time-factor method to issue a verification of licensure would cost \$34.58 for a landscape architect as compared with a cost of \$10.18 for a cosmetologist. Conversely, under the Bureau method the administrative overhead charge of \$9.76 represents the cost of processing a verification application for all licensees in the Bureau. Also, the Bureau found that employing a time factor in the

computation of administrative overhead would result in a different amount of overhead charge being made for each fee proposed.

With regard to IRRC's suggestions concerning projected versus actual expenses, the Commissions/Boards note that the computation of projected expenditures based on amounts actually expended has been the basis for biennial reconciliations for the past ten years. During these five biennial cycles, the experience of both the Commissions/Boards and the Bureau has been that established and verifiable data which can be substantiated by collective bargaining agreements, pay scales and cost benefit factors. This method has provided a reliable basis for fees. Also, the fees are kept at a minimum for licensees, but appear adequate to sustain the operations of the Commissions/Boards over an extended period. Similarly accounting, record keeping and swift processing of applications, renewals and other fees were the primary basis for "rounding up" the actual costs to establish a fee. This rounding up process has in effect resulted in the necessary but minimal cushion or surplus to accommodate unexpected needs and expenditures.

For these reasons, the Commission has not made changes in the method by which it allocates administrative expenditures and the resulting fees will remain as proposed.

IRRC also questioned why the administrative overhead costs for certification of history of licensure, registration or approval is \$3.80 less than the administrative overhead charged for the remaining application fees. As mentioned above, the overhead cost for certification of licensure, registration or approval is divided among the licensing population for the entire Bureau, while the overhead cost for remaining application fees are divided among the licensing population for the Commission.

*Addition of satellite location or instructor for real estate school*

IRRC commented that, as published in the Pennsylvania Bulletin, the fee for the "addition of satellite location or instructor for real estate school" contained an unnecessary comma. The Commission made the correction accordingly.

### *Private real estate schools*

IRRC requested a description of the application process and sought an explanation for the reduction in the fee for initial license application for private real estate school from \$325.00 to \$120.00.

After an application for licensure is received, the Commission staff reviews the application for completeness and contacts the applicant to obtain any missing information and/or documents. The application is then sent to the Bureau of Enforcement and Investigation (BEI) for an inspection to determine compliance with regulations. Following an inspection, BEI sends a report to the Commission administrator. Once the information is obtained, the Commission's Education Committee reviews the application and makes a recommendation to the full Commission at its meeting. The Commission discusses the recommendation and votes to approve or deny the request. If the Commission approves the application, an approval letter is sent to the applicant. If the Commission denies the application, a denial letter is sent.

The \$325.00 application fee was based upon a full Commission review of the application. The Commission found that a more efficient review could be accomplished by the Education Committee. Since less members of the Commission are reviewing the application, the fee is being reduced by \$205.00.

### *Fee report forms*

IRRC identified three errors in the fee report forms: (1) the form for "certification of history of licensure" should include "registration or approval;" (2) the form for "ownership change-private real estate school" contains a typographical error in that it inaccurately reflects the administrative overhead fee as \$3.56, rather than \$13.56; (3) the form for "name change-private real estate school" and "initial license application-private real estate school" contains a typographical error in that two different Commission review fees are used. The Commission has amended the fee report forms accordingly.

The Commission has also provided a survey of costs of other states in a revised Regulatory Analysis Form at the request of the HPLC which is available to the public on request.

### Compliance with Executive Order 1996-1, Regulatory Review and Promulgation

The Board reviewed this rulemaking and considered its purpose and likely impact upon the public and the regulated population under the directives of Executive Order 1996-1, Regulatory Review and Promulgation. The final regulation addresses a compelling public interest as described in this Preamble and otherwise complies with Executive Order 1996-1.

#### Fiscal Impact and Paperwork Requirements

The amendments will have no adverse fiscal impact on the Commonwealth or its political subdivisions. The fees will have a modest fiscal impact on those members of the private sector who apply for services from the Commission. The amendments will impose no additional paperwork requirements upon the Commonwealth, political subdivisions or the private sector.

#### Statutory Authority

The amendments are authorized under Section 407(a) of the Real Estate Licensing and Registration Act (Act), Act of February 19, 1980, P.L. 15, as amended, 63 P.S. §455.407(a).

#### Sunset Date

The Board continually monitors the effectiveness of its regulations through communications with the regulated population; accordingly, no sunset date has been set.

#### Regulatory Review

Under Section 5(a) of the Regulatory Review Act, the Act of June 30, 1989 (P.L. 73, No. 19), (71 P.S. §§745.1 -745.15), the agency submitted a copy of the Notice of Proposed Rulemaking, published at 29 Pa. B. 4171-4178, on August 7, 1999, to the IRRC and the Chairmen of the HPLC and the SCP/PLC for review and comment. In compliance with Section 5(b.1), the agency also provided the IRRC and the committees with copies of all comments received, as well as other documentation.

In preparing this final form regulation the agency has considered all comments received from the Committees, IRRC and the public.

This final form regulation was (deemed) approved by the HPLC on \_\_\_\_\_ and (deemed) approved by the SCP/PLC on \_\_\_\_\_. The IRRC met on \_\_\_\_\_ and (deemed) approved the regulation in accordance with Section 5(c) of the Act.

Contact Person

Further information may be obtained by contacting Deborah A. Sopko, Administrative Assistant, State Real Estate Commission, P. O. Box 2649, Harrisburg, PA 17105-2649; telephone (717) 783-3658.

Findings

(1) Public notice of proposed rulemaking was given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769) (45 P.S. §§1201 and 1202) and the regulations promulgated thereunder at 1 Pa. Code §§7.1 and 7.2.

(2) A public comment period was provided as required by law and all comments were considered.

(3) This amendment does not enlarge the purpose of proposed rulemaking published at 29 Pa. B. 4171-4178.

(4) This amendment is necessary and appropriate for administration and enforcement of the Board's authorizing statute.

Order

The Board, acting under its authorizing statute, orders that:

(1) The regulations of the Board, 49 Pa. Code Chapter 35, are amended as set forth in Annex A.

(2) The Board shall submit this order and Annex A to the Office of General Counsel and to the Office of Attorney General as required by law.

(3) The Board shall certify this Order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(4) This order shall take effect upon publication in the Pennsylvania Bulletin.



**ANNEX A**

**TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS  
PART I. DEPARTMENT OF STATE  
SUBPART A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
CHAPTER 35. STATE REAL ESTATE COMMISSION**

**APPLICATION FEES**

**§35.203. Fees.**

The following fees are charged by the Commission:

...

Review of qualifications of candidate  
for broker or cemetery broker  
licensing examination

[25.00]      40.00

Application for licensure of:

(i) Broker, cemetery broker or rental  
listing referral agent

[55.00]      75.00

(ii) Branch office

[50.00]      65.00

(iii) Associate broker, salesperson,  
cemetery associate broker,  
builder-owner salesperson,  
time-share salesperson, camp-  
ground membership salesperson,  
or broker of record, partner or  
officer for a partnership, association  
or corporation

[20.00]      25.00

(iv) Cemetery salesperson

[15.00]      20.00

Application for registration of cemetery company

[20.00]      25.00

Initial licensure for broker, cemetery broker,  
branch office, rental listing referral agent, or broker  
of record, partner or officer for a partnership,  
association or corporation:

(i) If issued in first half of biennial period

[60.00]      100% of biennial  
renewal fee

(ii)	If issued in second half of biennial period	[30.00]	<u>50% of biennial renewal fee</u>
Initial registration for cemetery company or initial licensure for associate broker, salesperson, cemetery associate broker, cemetery salesperson, builder-owner salesperson, time-share salesperson or campground membership salesperson:			
(i)	If issued in first half of biennial period	[40.00]	<u>100% of biennial renewal fee</u>
(ii)	If issued in second half of biennial period	[20.00]	<u>50% of biennial renewal fee</u>
...			
	Registration of promotional real estate	[250.00]	<u>120.00</u>
...			
	Approval of real estate school	[325.00]	<u>120.00</u>
	<u>Reinspection of real estate school after first failure</u>		<u>65.00</u>
	Change of name or office location of broker, cemetery broker or rental listing referral agent	[55.00]	<u>75.00</u>
	<u>Reinspection after failure for change of name or office location of broker, cemetery broker or rental listing referral agent</u>		<u>55.00</u>
...			
	Change of ownership or directorship of real estate school	[40.00]	<u>75.00</u>
	Change of name [or location] of real estate school	[90.00] <del>60</del>	<u>45.00</u>
	<u>Change of location of real estate school</u>		<u>70.00</u>
	Addition of satellite location [,course] or instructor for real estate school		20.00

Addition of course for real estate school

25.00

...

Certification of history of licensure, registration or approval [30.00]

40.00



**COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE REAL ESTATE COMMISSION**

(717) 783-3658

116 PINE STREET  
P. O. BOX 2649  
HARRISBURG, PA  
17105-2649

April 6, 2000

The Honorable John R. McGinley, Chairman  
Independent Regulatory Review Commission  
14<sup>th</sup> Floor, Harristown 2  
333 Market Street  
Harrisburg, PA 17101

RE: Final Regulation  
State Real Estate Commission  
Application Fees: 16A-566

Dear Chairman McGinley:

Enclosed is a copy of a final rulemaking package of the State Real Estate Commission pertaining to application fees.

The Commission will be pleased to provide whatever information your Committee may require during the course of its review of the rulemaking.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Tarantino, Jr.", written in a cursive style.

Joseph Tarantino, Jr., Chairman  
State Real Estate Commission

JT:JPS:apm  
Enclosures

cc: Hon. Kim Pizzigrilli, Secretary of the Commonwealth  
Department of State  
C. Michael Weaver, Deputy Secretary of Regulatory Programs  
Department of State  
John T. Henderson, Jr., Chief Counsel  
Department of State  
Joyce McKeever, Deputy Chief Counsel  
Department of State  
Dorothy Childress, Commissioner  
Bureau of Professional and Occupational Affairs  
Gerald S. Smith, Senior Counsel in Charge  
Bureau of Professional and Occupational Affairs  
Judith Pachter Schulder, Counsel  
State Real Estate Commission  
State Real Estate Commission

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE  
REGULATORY REVIEW ACT

RECEIVED

I.D. NUMBER: 16A-566  
SUBJECT: State Real Estate Commission - Application Fees  
AGENCY: DEPARTMENT OF STATE

2000 APR -6 PM 12: 06

REGULATORY REVIEW COMMISSION

TYPE OF REGULATION

Proposed Regulation

X Final Regulation

Final Regulation with Notice of Proposed Rulemaking Omitted

120-day Emergency Certification of the Attorney General

120-day Emergency Certification of the Governor

Delivery of Tolled Regulation

a. With Revisions

b.

Without Revisions

FILING OF REGULATION

DATE

SIGNATURE

DESIGNATION

4-6-00

*[Signature]*

HOUSE COMMITTEE ON PROFESSIONAL LICENSURE

4/6/00 *[Signature]*

SENATE COMMITTEE ON CONSUMER PROTECTION &  
PROFESSIONAL LICENSURE

4/6/00

*[Signature]*

INDEPENDENT REGULATORY REVIEW COMMISSION

ATTORNEY GENERAL

LEGISLATIVE REFERENCE BUREAU

March 27, 2000